

Foreign-Trade Zones Board, Commerce

§ 400.3

to establish a zone includes the responsibility to manage it.

(j) *Magnet site* means a site intended to serve or attract multiple operators or users under the ASF.

(k) *Modification*: A major modification is a proposed change to a zone that requires action by the FTZ Board; a minor modification is a proposed change to a zone that may be authorized by the Executive Secretary.

(l) *Person* includes any individual, corporation, or entity.

(m) *Port of entry* means a port of entry in the United States, as defined by part 101 of the customs regulations (19 CFR part 101), or a user fee airport authorized under 19 U.S.C. 58b and listed in part 122 of the customs regulations (19 CFR part 122).

(n) *Private corporation* means any corporation, other than a public corporation, which is organized for the purpose of establishing, operating and maintaining a zone and which is chartered for this purpose under a law of the state in which the zone is located.

(o) *Production*, as used in this part, means activity involving the substantial transformation of a foreign article resulting in a new and different article having a different name, character, and use, or activity involving a change in the condition of the article which results in a change in the customs classification of the article or in its eligibility for entry for consumption.

(p) *Public corporation* means a state, a political subdivision (including a municipality) or public agency thereof, or a corporate municipal instrumentality of one or more states.

(q) *Service area* means the jurisdiction(s) within which a grantee proposes to be able to designate sites via minor boundary modifications under the ASF.

(r) *State* includes any state of the United States, the District of Columbia, and Puerto Rico.

(s) *Subzone* means a site (or group of sites) established for a specific use.

(t) *Usage-driven site* means a site tied to a single operator or user under the ASF.

(u) *Zone* means a foreign-trade zone established under the provisions of the Act and these regulations. Where used in this part, the term also includes

subzones, unless the context indicates otherwise.

(v) *Zone grantee* is the corporate recipient of a grant of authority for a zone. Where used in this part, the term “grantee” means “zone grantee” unless otherwise indicated.

(w) *Zone operator* is a person that operates within a zone or subzone under the terms of an agreement with the zone grantee (or third party on behalf of the grantee), with the concurrence of CBP.

(x) *Zone participant* is a current or prospective zone operator, zone user, or property owner.

(y) *Zone plan* includes all the zone sites that a single grantee is authorized to establish.

(z) *Zone site* (site) means a physical location of a zone or subzone. A site is composed of one or more generally contiguous parcels of land organized and functioning as an integrated unit, such as all or part of an industrial park or airport facility.

(aa) *Zone user* is a party using a zone under agreement with a zone operator.

§ 400.3 Authority of the Board.

(a) *In general*. In accordance with the Act and procedures of this part, the Board has authority to:

(1) Prescribe rules and regulations concerning zones;

(2) Issue grants of authority for zones, and approve subzones and modifications to the original zone;

(3) Authorize production activity in zones and subzones as described in this part;

(4) Make determinations on matters requiring Board decisions under this part;

(5) Decide appeals in regard to certain decisions of the Commerce Department’s Assistant Secretary for Enforcement and Compliance or the Executive Secretary;

(6) Inspect the premises, operations and accounts of zone grantees, operators and users (and persons undertaking zone-related functions on behalf of grantees, where applicable);

(7) Require zone grantees and operators to report on zone operations;

(8) Report annually to the Congress on zone operations;

§ 400.4

15 CFR Ch IV (1–1–14 Edition)

(9) Restrict or prohibit zone operations;

(10) Terminate reviews of applications under certain circumstances pursuant to § 400.36(g);

(11) Authorize under certain circumstances the entry of “zone-restricted merchandise” (19 CFR 146.44) into the customs territory pursuant to § 400.48;

(12) Impose fines for violations of the Act and this part;

(13) Instruct CBP to suspend activated status pursuant to § 400.62(h);

(14) Revoke grants of authority for cause;

(15) Determine, as appropriate, whether zone activity is or would be in the public interest or detrimental to the public interest, health or safety; and

(16) Issue and discontinue waivers pursuant to § 400.43(f).

(b) *Authority of the Chairman of the Board.* The Chairman of the Board (Secretary of the Department of Commerce) has the authority to:

(1) Appoint the Executive Secretary of the Board;

(2) Call meetings of the Board, with reasonable notice given to each member; and

(3) Submit to the Congress the Board’s annual report as prepared by the Executive Secretary.

(c) *Alternates.* Each member of the Board shall designate an alternate with authority to act in an official capacity for that member.

(d) *Authority of the Assistant Secretary for Enforcement and Compliance (Alternate Chairman).* The Commerce Department’s Assistant Secretary for Enforcement and Compliance has the authority to:

(1) Terminate reviews of applications under certain circumstances pursuant to § 400.36(g);

(2) Mitigate and assess fines pursuant to §§ 400.62(e) and (f) and instruct CBP to suspend activated status pursuant to § 400.62(h); and

(3) Restrict the use of zone procedures under certain circumstances pursuant to § 400.49(c).

(e) *Determinations of the Board.* Determinations of the Board shall be by the unanimous vote of the members (or al-

ternate members) of the Board, which shall be recorded.

§ 400.4 Authority and responsibilities of the Executive Secretary.

The Executive Secretary has the following responsibilities and authority:

(a) Represent the Board in administrative, regulatory, operational, and public affairs matters;

(b) Serve as director of the Commerce Department’s Foreign-Trade Zones staff;

(c) Execute and implement orders of the Board;

(d) Arrange meetings and direct circulation of action documents for the Board;

(e) Arrange with other sections of the Department of Commerce and other governmental agencies for studies and comments on zone issues and proposals;

(f) Maintain custody of the seal, records, files and correspondence of the Board, with disposition subject to the regulations of the Department of Commerce;

(g) Issue notices on zone matters for publication in the FEDERAL REGISTER;

(h) Direct processing of applications and reviews, including designation of examiners and scheduling of hearings, under various sections of this part;

(i) Make determinations on questions pertaining to grantees’ applications for subzones as provided in § 400.12(d);

(j) Make recommendations in cases involving questions as to whether zone activity should be prohibited or restricted for public interest reasons, including proceedings and reviews under § 400.5;

(k) Determine questions of scope under § 400.14(d);

(l) Determine whether additional information is needed for evaluation of applications and other requests for decisions under this part, as provided for in various sections of this part, including §§ 400.21–400.25;

(m) Issue instructions, guidelines, forms and related documents specifying time, place, manner and formats for applications and notifications in various sections of this part, including §§ 400.21(b) and 400.43(f);

(n) Determine whether proposed modifications are major modifications